

# ***RISK MANAGEMENT***

## **DESCRIPTION**

The Risk Management Department provides protection from unplanned losses arising out of County and Public School operations. The Department provides risk reduction management, loss prevention services, disaster planning, and claims administration. The Department is also responsible for ensuring sound fiscal management of the Risk Management Fund.

Risk Management's goals are:

- Have the safest and most secure schools, workplaces, and parks in the USA
- Deliver quality claim administration services efficiently
- Focus on continuous employee development and innovation
- Be a unifying leader for regional risk management

## **FINANCIAL ACTIVITY**

	<b>FY2000 Actual</b>	<b>FY2001 Adopted</b>	<b>FY2002 Biennial Planned</b>	<b>FY2002 Adopted</b>	<b>Change FY2001 to FY2002</b>	<b>FY2003 Projected</b>	<b>FY2004 Projected</b>	<b>FY2005 Projected</b>
<b>Personnel</b>	\$436,727	\$517,300	\$532,700	\$557,400	7.8%	\$574,100	\$591,300	\$609,000
<b>Operating</b>	5,514,377	5,509,000	5,511,000	5,513,200	0.1%	5,513,200	5,513,200	5,513,200
<b>Capital</b>	<u>46,549</u>	<u>46,000</u>	<u>0</u>	<u>13,900</u>	-69.8%	<u>13,900</u>	<u>13,900</u>	<u>13,900</u>
<b>Total</b>	\$5,997,652	\$6,072,300	\$6,043,700	\$6,084,500	0.2%	\$6,101,200	\$6,118,400	\$6,136,100
<b>Revenue</b>	<u>5,997,652</u>	<u>6,072,300</u>	<u>6,043,700</u>	<u>6,084,500</u>	0.2%	<u>6,101,200</u>	<u>6,118,400</u>	<u>6,136,100</u>
<b>Net Cost</b>	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0
<b>FT Pos.</b>	9	10	10	11	1	11	11	11

## **BUDGET ANALYSIS AND EVALUATION**

In FY2002 Risk Management will continue to expand its County Intranet presence. By using the Intranet as a communication tool, the Department will provide County and School front-line employees with immediate access to information, including the County's most current safety programs, report requirements, and general risk management information.

Technology will be used to provide risk management services in a more efficient manner. In FY2002, a large number of administrative hours will be dedicated to establishing new electronic communication paths with vendors and customers. This process will reduce the time expended by both employees and vendors in the exchange of information, reducing the amount of paperwork while increasing staff productivity and improving service quality.

Claims administration and loss prevention services will implement improvements based on customer survey responses.

Workers' compensation liability will be addressed with a long-term funding plan within the risk management internal service fund, involving coordination between Risk Management and Budget and Management.

The management of contractors' risks and insurance will be addressed through a new County policy to be developed in FY2002. This policy will provide clear guidance to departments regarding their responsibilities for contractor risk management. The Risk Management Department will improve service levels in this area through technology improvements and by offering training regarding the new policy.

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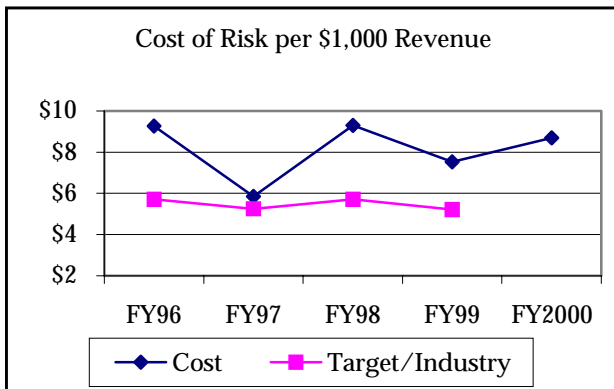
The safety audit process has been improved through the addition of a formal report process and schedule. Support of the audit schedule by the County Administrator and School Superintendent raised the level of attention County directors are devoting to OSHA and safety-related processes. The present number of County and School safety personnel is inadequate; to perform audits and industrial hygiene surveys, the County and Schools should have one full-time safety employee for every 1,000 FTE's. The current ratio is 0.4 per 1,000.

The FY2002 budget includes a full-time Safety Specialist that was previously a part-time position.

The Department actively supports the Virginia chapter of the Public Risk Management Association, STATES Trust, and the Virginia Self-Insured Association, and sponsors many regional-benchmarking initiatives.

## **HOW ARE WE DOING?**

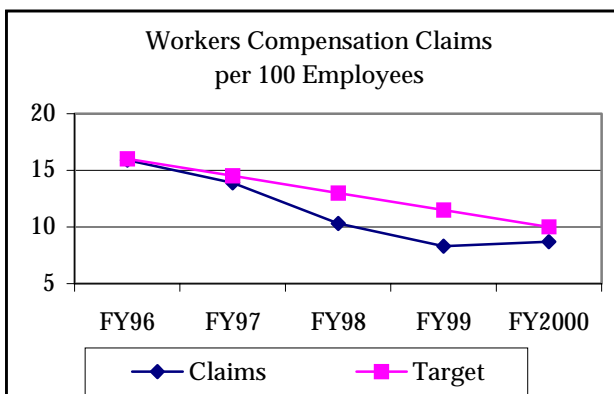
**Goal:** Have the safest and most secure schools, workplaces, and parks in the USA. Supports Countywide Strategic Goal Number 3.  
**Objective:** Reduce the County and Schools combined annual cost of risk  
**Measure:** Cost of risk per \$1,000 revenue, compared to private industry average



### **Initiatives**

- Loss prevention audits
- Claims administration annual audit
- Safety and Loss Prevention training
- Building security upgrades
- Review of risk profile & insurance purchases
- Annual actuary study of loss history

**Goal:** Focus on continuous employee development and innovation. Supports Countywide Strategic Goal Number 5.  
**Objective:** Reduce the number of preventable on-the-job injuries  
**Measure:** Number of workers compensation claims per 100 full-time and part-time employees



### **Initiatives**

- Loss prevention audits
- Safety and Loss Prevention training
- Services related to noise reduction, ergonomics, and bloodborne pathogens
- Services related to fire prevention, hazardous chemicals, and electrical hazards
- Personal protective equipment assessments

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## **WHERE ARE WE GOING?**

A recent benchmarking study revealed significant differences between Chesterfield and Henrico County in the selection of insurance coverage purchased and the amount of self-insured risk. The County has now accrued over ten years of loss data. Utilizing this information, the Department, its actuary, and broker will create an insurance and financing action plan to achieve defined financial goals over the next ten years.

The County plans to expand its corporate knowledge of Environmental Management obligations. This matter is being headed by the County Attorney's office. Both Risk Management staff and County Attorney staff will receive training in the coming year to better assess any potential pollution problems.

Unless a currently proposed OSHA regulation is overturned in court, the County and Schools must begin complying with the Ergonomic Work Restriction Program in calendar year 2001. This program provides 90% of pay to any employee that suffers a musculoskeletal disorder (MSD). Most of these injuries are currently denied benefits under state workers compensation law. An MSD is typically a gradual onset sprain/strain problem, such as carpal tunnel syndrome, back injury, tendonitis, or rotator cuff syndrome. Greater time from the Loss Prevention staff will need to be devoted to addressing this new OSHA regulation. Many private corporations tie their employee performance bonuses to Lost Time Injuries; staff suggests this approach should be studied further.